

Monthly Report to IRG and USAID  
**MUNICIPAL HEATING REFORM JOINT DONOR-GOU TASK FORCE**  
**May 2008**

**Work Accomplished**

- Battelle prepared detailed written comments on the draft reform laws and decrees and shared these with the GOU and USAID.
- Battelle also worked to resolve contract issues. We faced a stop work for most of the month as noted below.

**Highlights of Results in the Reform Process**

- Prime Minister Tymoshenko held an inter-agency meeting on whether to pursue individual heating as a state policy or focus on district heating reform. She decided to focus on district heating reform. The Minister of Residential and Communal Services was able to provide her with persuasive arguments, drawing from briefing materials that Battelle had prepared.
- Prime Minister Tymoshenko also signed a decree on creating a Task Force on the reforms, chaired by the head of her group of advisors, Mr. Haiduk.
- The GOU also issued a decree on obligatory installation of metering in buildings connected to the district heating network.

**Deliverables Completed**

- NA

**Difficulties Encountered and Remedial Actions**

- We faced a stop work for most of the month because of a delay in getting the second tranche of funding and because we did not have confirmation that our staff could charge to the project. Likewise, ARENA-ECO did not receive its contract. These issues significantly delayed preparation of deliverables and resulted in a canceled trip to Ukraine.
  - We are working to ensure that our staff are confirmed to charge to the project. We have expressed the importance of the timeliness of future funding tranches to keep the work on schedule.